IOOF Holdings Ltd
ABN 49 100 103 722
Level 6, 161 Collins Street
Melbourne VIC 3000

GPO Box 264
Melbourne VIC 3001
Phone 13 13 69
www.ioof.com.au

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25 November 2020

2020 Annual General Meeting

Attached are the Chairman and Chief Executive Officer addresses to shareholders to be presented today at the IOOF 2020 Annual General Meeting (AGM).

The AGM will be held virtually at 9:30am AEDT and can be accessed at the following link https://web.lumiagm.com/327043862.

For more information please see our website. Please note, a recording will be available on our website shortly after the event.

-ENDS-

Authorised for release by the Company Secretary of IOOF Holdings Ltd.

Enquiries:

Rachel Scully
Head of Investor Relations
IOOF Holdings Ltd

P: +61 3 8614 4530
M: +61 438 601 942
E: rachel.scully@ioof.com.au

About IOOF Holdings Ltd

IOOF has been helping Australians secure their financial future since 1846. During that time, we have grown substantially to become one of the largest groups in the financial services industry.

IOOF provides advisers and their clients with the following services:

- **Financial Advice** services via our extensive network of financial advisers;
- **Portfolio and Estate Administration** for advisers, their clients and hundreds of employers in Australia; and
- **Investment Management** products that are designed to suit any investor's needs.

Further information about IOOF can be found at www.ioof.com.au

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Chairman's Address to the AGM – 25 November 2020

Good morning ladies and gentlemen.

To all of our shareholders joining us at our virtual AGM this year, welcome and on behalf of the IOOF Board and our team – thank you for your ongoing support.

When I last addressed you at our November 2019 AGM, I don't think any of us could have imagined what lay ahead for 2020.

In IOOF's 174 year history, there would have only been a handful of other years which would have seen such profound change to our daily lives.

With longevity comes resilience and adaptability, and that is why IOOF is still here and still helping Australians achieve financial independence.

I also believe a sense of purpose and community are fundamental to our success and at IOOF this is our guiding star.

In 2020 we have seen significant volatility, change and disruption. Not only has COVID-19 impacted how people go about their daily lives, but it has also caused anxiety, stress and financial hardship.

As a Board our primary concerns have been the health and welfare of our people, the support of our clients and the continuity of our business.

Introduction

This year we adapted quickly to the uncommon challenges brought on by the COVID-19 pandemic. The management team mobilised with a clear focus on the three priorities I just mentioned.

As a Board we supported the CEO and the management team in their endeavours and were more involved in the day to day running of the business more so than usual.

We were acutely conscious of the need to continue to execute our strategy, including the completion of the acquisition of ANZ's Pensions & Investments Business.

There was also another landmark event in August 2020, which was the announcement of our intention to acquire MLC Wealth from National Australia Bank.

Opportunities like MLC are rare and in corporate life, you cannot always pick your timing. This is a transformational opportunity to create Australia's leading retail wealth manager with approximately $510 billion in FUMA and in excess of 1,800 advisers. MLC is a natural fit with IOOF and presents a unique opportunity to create value from synergies for the benefit of clients, members and shareholders.

This is a once in a generation opportunity to create the leading wealth manager of the future.

As the financial service industry reshapes, a much bigger and better IOOF will position it at the forefront of the industry transformation.

It is our mission to reinvent financial advice. We firmly believe financial advice can make a considerable difference to not only people's financial wellbeing, but to their quality of life.

Renato will talk about some landmark research we have recently undertaken which supports this belief.

For your Board governance is front and centre and a heightened level of governance has been the backdrop to our activities of the last 18 months. It has been very important work as it guides our approach to our clients, members and strengthens and sustains our business model.

I believe that we are building a business that will withstand the test of time and competition from other entrants. The wealth management industry is in a state of flux and I firmly believe that purpose, governance and scale is essential to the delivery of relevant and continuing benefits for our clients, advisers and importantly – to you, our shareholders.

Adapting to change

I am very proud of how our people – led by Renato and the Executive team have risen to the challenges of the year, particularly those of COVID-19.

They have stepped up to continue to service our clients – without missing a beat. The Board and I have been deeply impressed by their commitment and flexibility, and I sincerely thank them for their efforts.

This includes all of our advisers, who continued to guide their clients through the difficult times of the pandemic. We have provided them with the highest levels of support and service, as they experience increased workloads and intensified client interactions.

As a Board and Executive Team, we recognise that COVID-19 has had an impact on profitability and returns to shareholders. No discretionary bonuses were paid to the Executive Team this year – a decision that was led by the Executive Team themselves.

Also, Renato and I felt it highly appropriate to take a 20% reduction in base pay for six months from 1 August 2020. All of our other Directors and our CFO took a 10% reduction in base pay for the same period.

In the current interest rate environment, we recognise the importance of dividends to our shareholders and we will continue to prudently manage capital to keep dividend payments to shareholders front of mind.

We determined it appropriate to pay both an interim and final dividend totalling 27.5 cents per share fully franked, at a 75% payout ratio.

Transforming our business for the future

Our industry is at an inflection point and therefore it has been critical that we remain focused on our strategy and transform the business to be fit for the future.

While we dealt swiftly with the internal challenges brought by COVID-19, we have not been diverted from executing our long-term strategy to be at the forefront of the wealth management industry of the future.

As part of this strategy, during the year, we have made select divestments of businesses that are no longer core to our advice-led business model. These divestments realised significant profits from sale and allow us to focus on our core strategic advice-led offerings.

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The addition of MLC is a once in a generation opportunity which we believe will provide all of our shareholders – retail and institutional – with long term value creation.

In determining the funding structure for this acquisition, we considered multiple options to ensure equivalency for all shareholders to participate equally.

IOOF has a large retail shareholder base and we were determined to ensure loyal retail holders had the opportunity to participate in the capital raise at an equivalent price to large institutions, which I am pleased to say occurred.

While I acknowledge that the share price performance has lagged since the announcement of this transaction, I truly believe that this acquisition is in the long-term best interests of our shareholders.

We are committed to transparency of communications to the market with regard to progress to demonstrate how these two transformational acquisitions are improving the overall business.

Environmental, Social & Governance

Before I make some closing remarks, I would like to touch on IOOFs environmental impact.

As I noted at last years' AGM, climate change is a significant challenge for companies and investors, of which IOOF is both. There is an imperative for action to reduce our environmental impact – wherever possible.

As a diversified financial services company, we look to minimise our impact on the environment through a range of waste, energy and emission-reduction activities.

In terms of our investment approach, in 2018, IOOF's Investment Division developed a Responsible Investing Statement of Principles which were implemented during 2019.

The Statement defines the role that responsible investment plays in the assessment, selection and monitoring process of externally appointed managers in our multi-manager funds.

Further, it outlines the framework for identifying and managing environmental, social and governance impacts, risks and opportunities across the various funds we manage.

In addition, we are a supporter of the Taskforce on Climate-related Financial Disclosures which seeks to encourage better disclosure so that investors can make informed choices.

Future outlook

To conclude, we are on the cusp of becoming Australia's largest wealth manager. I am immensely proud of the work that has been done to date and I look forward to continuing the hard work to embed P&I and complete the MLC acquisition by June 2021.

The completion of the acquisition of MLC in the coming year heralds a new era for IOOF providing scale, economic diversification, and business strength to deliver better long-term outcomes for our clients, members, advisers, and shareholders.

We are a business with diversified income streams and the scale and financial strength to endure the present crisis and be well positioned for the recovery.

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We have a clear strategy in place to transform our business which will generate significant benefits for all stakeholders including you – our shareholders.

On behalf of the Board, once again thank you for your ongoing support.

Renato will now make his address.

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CEO's Address to the AGM – 25 November 2020

Thank you Allan and thank you all for joining IOOFs 2020 virtual AGM.

2020 will be remembered as a year of global disruption, dislocation and uncertainty and this has been particularly true for Australia.

In the early part of the year, Australia experienced serious and prolonged drought conditions, causing devastation along the eastern seaboard and since then, the global COVID-19 pandemic has caused disruption and distress to many.

In these uncertain times, at IOOF it was important to prioritise the needs of our clients and our people – who represent the backbone of our organisation.

In facing these challenges, and in some ways because of them, IOOF has come through this period of global stress, a stronger business, with new opportunities and a stronger sense of our existing capabilities.

We delivered on key objectives throughout the year and made significant progress on our transformation program as we reshape IOOF, to be Australia's leading advice-led wealth manager.

Supporting our clients

IOOF has always had a clear purpose – to serve the community, particularly those who are most in need.

During the year, our people have provided the community with guidance and support, helping create a sense of peace of mind and confidence during this time of uncertainty. This is living our purpose. The value and importance of quality financial advice, for all Australians, has never been more evident.

We firmly believe that the value of advice extends beyond measurable financial gains, to improved physical and mental health, stronger relationships and personal happiness.

Pleasingly, this has been reflected in landmark research recently undertaken by IOOF and CoreData which noted that an advised client felt less worry and stress and had better relationships with family and friends.

In the largest survey of advised clients ever conducted in Australia, other insights revealed that 90% of advised clients said that accessing financial advice has left them in a better position financially and 84% of advised clients agree the value of advice outweighs the costs.

And just as importantly the research highlighted that those receiving financial advice also noted that it afforded them improved mental health.

I am extremely grateful for the hard work and dedication of our people during a difficult time for everyone. I echo our Chair's sincere gratitude for their dedication to our clients and each other over this period.

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At the core of our advice-led strategy is personal relationships with our clients. This is at the heart of our ClientFirst philosophy, giving IOOF a competitive advantage, as we deliver service excellence through a simpler, more cost-effective business model.

The benefits of the ClientFirst approach were never more evident than this year. At the height of the pandemic, our client service team experienced a 250% increase in call volume, yet call wait times peaked at just 15 minutes, before quickly returning to below just five minutes.

This speed to act and the ability to give a personal touch was extremely comforting to those going through significant hardships at the height of the pandemic.

Payments made under the Federal Governments Early Release of Superannuation to 30 September 2020 totalled $1.4 billion across in excess of 177,000 requests.

Financial performance

Against this COVID backdrop, IOOF's business performance has demonstrated strength and resilience in the face of volatile market conditions.

Statutory net profit after tax was $147.0 million, which included substantial profit on sales of non-core businesses.

We delivered an Underlying Net Profit After Tax of $128.8 million, while achieving a significant milestone for the business, reaching $200 billion in total funds under management, administration and advice (FUMA), which totalled $202.8 billion on 30 September 2020.

As the Chairman said, in a low interest environment, we are cognisant of the importance of dividends to our shareholder base and delivered fully franked dividends of 27 and a half cents per share for the year.

Transformation with purpose

In 2020, we made significant progress on our long-term strategic initiatives to transform the business and be at the forefront of financial advice and the broader wealth management industry.

Having the right team in place to execute our strategy is essential and during the year we welcomed a number of new executives across Finance, Risk and Legal having completed my senior management review. Each has brought with them a purpose-led mindset and a fresh perspective to our behaviours and practices. I believe we have the right team in place to continue on our transformation journey.

The value of financial advice has never been more apparent than it is today and we welcome ASIC's announcement last week of its consultation into the affordability of advice.

This is of course something we are passionate about at IOOF as we work towards building the advice industry of the future.

Equally the need to create a professional and self-sustaining advice business model has never been more apparent.

That is building a business model that is sustainable in its own right, without economic support from other parts of the business and creating new opportunities through investment in technology and customisation.

During the year we announced our Advice 2.0 transformation strategy – which is IOOF's long-term strategy to reshape the Australian advice landscape through the delivery of quality, goals-based advice that is accessible to all Australians. In 2019, we committed to undertaking a significant advice remediation program and we commenced payments to clients during the financial year. We expect that IOOFs remediation program will be substantially complete by the end of the 2022 financial year.

In support of the transformation, we acquired Wealth Central, a proprietary financial advice and client engagement technology platform. Additionally, IOOF's self-employed licensee brands have been reorganised, allowing IOOF to better and more efficiently support the needs of each proposition, driving them to become self-sustaining by the end of 2022.

We also continued to make significant progress on Project Evolve. Evolve is a program of work to deliver a proprietary and fully-flexible platform technology, capable of supporting our existing and future product suites.

It is clear that proprietary technology capabilities are core to building competitive and agile solutions in the future – this strategy is key to our future growth as well as our simplification goals.

The Evolve platform administered $12.9 billion as at 30 June 2020 and continues to see significant inflows. This demonstrates we are delivering what advisers expect from a platform in support of their clients' needs. We expect our current platform consolidation to be complete by the end of 2021.

Transformational acquisitions

As our Chair noted we successfully completed the acquisition of the P&I business in February of this year, adding meaningful scale to IOOF. Since then, we have made significant strides to integrate the P&I business and we remain on track to deliver $68 million p.a. in total synergies by FY22 on an annualised basis. As announced at the full year results, we expect $43m p.a. of these benefits to be realised by the end of the current financial year (on an annualised basis).

Consolidating IOOF's transformation agenda, in August of this year, we announced the acquisition of MLC from the National Australia Bank (NAB) for $1.44 billion. MLC is a highly complementary wealth management business which is a natural fit with IOOF. It presents a unique opportunity to create Australia's leading wealth manager along with significant benefits through synergy realisation for clients, members and shareholders. The transaction is expected to complete by the end of June next year.

Current industry conditions have created a once in a generation point of industry disruption. Corporate activity surrounding wealth management assets, together with a more acute recognition of our obligations as fiduciaries means the opportunities for the next decade will look very different to those of the last.

Scale and simplification will be critical for success and ensuring that clients, members and shareholders benefit from the industry transformation. Combining IOOF and MLC creates a common purpose and culture of community spirit and supporting people to achieve their

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financial goals. This combination brings wide-ranging capabilities, technical expertise to enable improved choice, accessibility and client outcomes.

Your Board and Executive team recognise the size of the task at hand to successfully integrate MLC and deliver on its potential. In recognition of the broader set of opportunities and challenge, I have made some changes to the Executive team to ensure we have the appropriate focus, capabilities and governance. I have appointed a Chief Transformation Officer who will sit on the Executive Team and report directly to me.

The Executive team and I are committed to delivering on the value realisation opportunities these transformational acquisitions present, in a prudent and timely manner.

Outlook

As mentioned, the Australian wealth management market is currently experiencing a period of industry disruption, with new industry structures forming over the coming 12-24 months. To acquire a highly complementary business of the size and quality of MLC was a once in a generation opportunity to create the leading wealth manager of the future.

Opportunities like MLC must be carefully thought through – while they present significant opportunity, they also come with significant complexity. I want to recognise the impact on existing shareholders of the funding challenge of this acquisition. Its only through extensive diligence, negotiation and by leveraging prior experience that one can assess the merits of these transformational opportunities on balance.

IOOF has a strong track record in relation to integration of businesses. The acquisition of MLC will deliver significant future benefits for all of our stakeholders, including our shareholders. We expect to deliver in excess of 20% earnings per share accretion in future years[1], underpinned by $150 million p.a. of targeted pre-tax synergies by the third full year of ownership

In addition, as the financial service industry reshapes, a much bigger and better IOOF will be at the forefront of industry transformation. In this new era, the new IOOF will have the ability to offer unmatched choice and accessibility of quality financial advice and wealth management services to all Australians and continue to adapt as the industry evolves.

To our shareholders – Thank you for your continued support in what has been an extremely volatile year. I know we have the right strategy, people, governance and operational structures to continue to deliver financially for years to come.

[1] adjusted for the bonus element of the Entitlement offer and placement

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